



CALIFORNIA DEPARTMENT
OF HEALTH SERVICES

Agent Alert

January 2001

SPOTLIGHT:

Residential Care Facilities for the Elderly

To help agents gauge the effect of new legislation on their clients, the Partnership staff surveyed 36 licensed Residential Care Facilities (RCFs) recently to determine average monthly costs for various levels of care. Senate Bill 870 revised the Insurance Code to raise the minimum benefits payable for care in an RCF to at least 70 percent of the nursing facility benefit, effective July 1, 2001. Policies sold prior to June 30, 2001, are not subject to this requirement, but any policy sold after this date can only be sold with the 70 percent benefit.

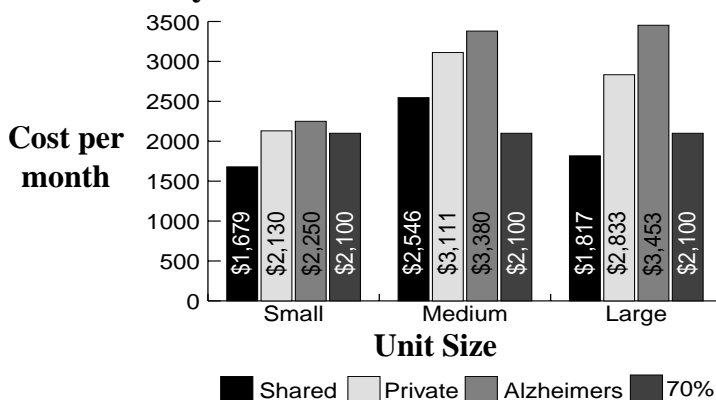
The same questions were asked of each RCF to determine the monthly cost of care for a person needing assistance with two activities of daily living, such as bathing and dressing. The Partnership also asked about the care of an

Alzheimer's patient. Results of this survey are grouped by the size of the facility: Small, one to 10 beds; medium, 11 to 49 beds, and large, 50 or more beds. Results also indicate the type of room (private, shared, or Alzheimer's).

As the chart shows, the costs rise considerably when comparing the costs of a shared, private, and Alzheimer's room. These comparative costs also tend to rise as the size of the facility increases. To illustrate the direct effect that the 70 percent benefit will have on policyholders, this chart also compares the benefits available when purchasing a \$100 a day nursing home benefit versus the average costs of RCFs. These figures should only be used as a guideline; the costs of RCFs vary from region to region. You should contact the facilities in your region directly to determine the exact cost

of RCFs in your area. It may also be advantageous to tour some facilities in your area to get a better feel of the services offered, since services may vary by facility. You can access a listing of all RCFs licensed in California at (www.dhs.ca.gov/cpltc), the Partnership's Web site. Watch your mail or check the Partnership Web site for future information on this survey.

Monthly Costs for Residential Care Facilities





Medi-Cal Eligibility and Estate Recovery

Q: How much does a person have to pay for services while on Medi-Cal?

A: The county looks at the applicant's income after he or she establishes eligibility for Medi-Cal by spending down assets to no more than \$87,000 for a couple with one spouse institutionalized or \$2,000 for a single individual. The county looks at the income the individual receives in his or her own name and divides in half the income received in the name of both spouses. Of the income that counts as the income of the applicant, all (less \$35) of the applicant's income is considered his or her "share of cost" for Medi-Cal. This works like a regular health insurance deductible. The applicant pays or obligates himself or herself to pay that much each month on medical expenses before Medi-Cal pays the remainder of Medi-Cal covered services.

For example, let's say a single individual in a skilled nursing facility has an income of \$1,000 per month. This person is allowed to retain \$35 per month for personal needs. The remainder (\$965) of the countable income goes toward his or her share of cost each month. Medi-Cal pays the remainder of the expenses for the month up to the Medi-Cal reimbursement rate that is negotiated with the

facility. The law precludes the facility from "balance billing" or charging the individual or family for any more than the share of cost.

In the case of an institutionalized spouse with a well spouse in the community, the institutionalized spouse is allowed to allocate some of his/her income to the community spouse as long as the community spouse's income is below a certain level. For the year 2001, that amount is \$2,175. If the community spouse's income is over that amount, the community spouse retains all of his/her income.

Here's an example of a couple with one spouse in a nursing facility and one spouse in the community:

Institutionalized Spouse	\$1500 Social Security Pension	<u>\$400</u>
		\$1900 Total
Community Spouse	\$600 Social Security	

In this case, the institutionalized spouse is allowed to allocate \$1,575 each month to his or her spouse (\$2,175 - \$600 = \$1,575). The remainder, in excess of the \$35 the institutionalized spouse is allowed to retain for personal needs, goes toward the share of cost each month. Medi-Cal pays the remainder of his or her medical expenses (\$1900 - \$1575 spousal allocation = \$325 - \$35 = \$290 share of cost).

Calendar

February 10 - State Senior Services Fair,
Pico Rivera Senior Center, 8 a.m. - 3 p.m.

February 28 - LTC Forum, Marriott Hotel,
Anaheim. Earn one hour of CPLTC credit
for attending.

**March 23 - Southern California Long-Term
Care Symposium,** Doubletree Hotel,
Anaheim, 7:30 a.m. - 5 p.m. Earn four
hours CPLTC recertification credit for
attendance at the Partnership seminar. For
more information or to register, call 1-888-
599-5997 or visit www.aaltci.org

Is that a fact ... ?

The percentage of elderly Americans who need help with three or more activities of daily living increased by nine percent between 1984 and 1994, rising from 35 percent to 43 percent, according to a new report released by the Agency for Healthcare Research and Quality.

Agent Alert is produced as a service to agents and their clients by the California Partnership for Long-Term Care, P.O. Box 942732, Sacramento, CA 94234-7320. Phone: (916) 323-4253. Web site: www.dhs.ca.gov/cpltc